K-Bro Linen Systems Inc.
14903 137 Ave. NW.
Edmonton, AB Canada T5V 1R9
Tel 780-453-5218 Fax 780-455-6676

Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act")

2026 Annual Report
K-Bro Linen Inc. ("K-Bro" or the "Corporation" or "we" or "our") joint report with Fishers Services Limited ("Fishers"), Shortridge Limited ("Shortridge") and Stellar Mayan Limited ("Stellar Mayan"), doing business as (i) Synergy Health Managed Services Limited ("Synergy"), (ii) Aeroserve (MSP) Limited and Aeroserve Euro Limited, jointly referred to as Aeroserve Linen ("Aeroserve"), and (iii) Grosvenor Contracts (London) Limited ("Grosvenor Contracts" or "GC").

May 19, 2026

Introduction

Pursuant to Canada's Act, this report (the "Report") is K-Bro's third annual report describing the steps taken to prevent and reduce the risk of forced labour and/or child labour being used in the production of goods in Canada or elsewhere or within supply chains. This Report is produced for the financial year ended December 31, 2025. K-Bro does not condone the use of modern slavery of any kind and we are taking steps to contribute to Canada's efforts to combat forced labour and/or child labour within supply chains.

Section 11 (1) Steps Taken in Previous Financial Year

In 2025, K-Bro published our third annual sustainability report which can be found on our website < https://www.k-brolinen.com/sustainability>. K-Bro's Board of Directors oversees our Environmental, Social and Governance ("ESG") sustainability program. We have always prioritized being responsible corporate citizens and our report was another important milestone in extending our current best practices into our long-term program. We completed an enterprise-wide materiality assessment to obtain insights into which topics were most important to our stakeholders. We engaged a reputable third-party ESG consultant to assist in canvassing internal and external stakeholders and identified twelve tier one & two material topics which were mapped into our three sustainability pillars: People (Social), Partner (Governance) and Planet (Environmental). Over time, our pillars will support objectives and initiatives to achieve our long-term vision. Among the material topics, Modern Slavery Compliance was identified as a priority by our stakeholders. K-Bro's dedication to our values extends to our supply chains and we endeavor to ensure suppliers have suitable workplace, health & safety and ethical employment standards within their businesses. The standards we expect address a broad spectrum of working conditions including fair remuneration, working hours, respect, non discrimination, and well-being. We updated our Code of Business Conduct and Ethics and Whistleblower Policies, to incorporate our latest acquisitions and enhance certain topics. We also moved to an independent third-party whistleblower service provider with web reporting and toll-free numbers in both Canada and UK.

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In 2025, K-Bro acquired Stellar Mayan, a leading commercial laundry business in the UK. Following the acquisition, as part of integration efforts, certain supply chain purchases were transitioned to existing suppliers of the Corporation. A risk-based approach was implemented for assessing linen category suppliers. K-Bro's supplier code of conduct (the "Supplier Code") prohibits forced labour, child labour and any other forms of modern slavery within supply chains. We require our linen suppliers to sign affirmations confirming their understanding of the Supplier Code and agreement to monitor compliance of their operations. Inclusive of the Stellar Mayan acquisition, linen suppliers representing over 97% of K-Bro's 2025 annual linen spend signed affirmations.

Pursuant to the United Kingdom's Modern Slavery Act 2015, FTL UK Acquisition Company Ltd. ("FTL UK"), a wholly owned subsidiary of K-Bro, doing business as Fishers, Shortridge, Synergy, Aeroserve, and GC, publishes an annual Slavery and Human Trafficking Statement. Among other topics, the statements discuss organizational structure, activities, supply chains, policies, assessing and managing risk, due diligence, training, monitoring and evaluation. FTL UK's Slavery and Human Trafficking Statement can be found on K-Bro's UK websites <https://www.fisherslaundry.co.uk > <https://www.shortridgelaundry.co.uk> <https://www.synergylms.co.uk> <https://www.grosvenorcontracts.com> under 'Modern Slavery Statement'.

Section 11 (3) Supplementary Information

Section 11 (3) (a) Our structure, activities and supply chains.

We mapped our activities and significant supply chains to assist in evaluating categories that are 'at-risk' of modern slavery. The assessment covered the journey of goods across raw materials, inputs, components, manufacturing and distribution.

K-Bro Linen Inc., a TSX listed corporation, is the largest owner and operator of laundry and linen processing facilities in Canada and a national market leader for laundry and textile rental services in the UK. K-Bro employs approximately 2,400 people in Canada and K-Bro's UK subsidiaries employ approximately 2,100 people in the UK. K-Bro's circular business model provides an essential service while prioritizing environmental stewardship and reducing pressure on natural resources. Our circular model keeps high-quality products in use for longer, while reducing natural resource consumption, and offers reusable alternatives to disposable products. K-Bro's activities include: linen management & purchasing; collection & transportation; sorting; washing; drying; ironing & folding; cart make-up; and, delivery & pick-up.

In assessing supply chains, we grouped purchases into significant supply chains categories, incorporating, among other factors, importance to operating activities, quantum of purchases, assessment of supply chain geography. K-Bro's significant supply chains include: linens; equipment & vehicles; delivery; utilities; electronics; and, other inputs. Supply chain categories

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were evaluated based on simplified goods journeys across raw materials, inputs & sub-components, manufacturing & assembly, distribution and buyers. Indirect supply chains were considered out of scope and examples include uniforms or electronics used by other suppliers. Categories with identified direct situations 'at-risk' of modern slavery were assessed across the various stages of the supply chain.

Section 11 (3) (b) Our policies and due diligence processes in relation to forced labour and child labour.

K-Bro does not condone the use of modern slavery of any kind. We promote our vision and values throughout our business and supply chains, including: embracing responsibilities to society; being good corporate citizens; and, supporting local communities.

Strong corporate governance is an important element of K-Bro's sustainability program. Our corporate governance practices were developed to ensure K-Bro's business is effectively managed in support of strong stakeholder relationships and enhanced shareholder value. Our corporate policies and procedures include our updated Code of Business Conduct and Ethics (the "Code") and Whistleblower Policies. K-Bro's Code covers a wide range of business practices and sets out basic principles to guide all directors, officers and employees. Among other topics, the Code includes: compliance with laws, rules and regulations and reporting of illegal or unethical behaviour. In 2025, we moved to an independent third-party whistleblower service provider with web reporting and toll-free numbers in both Canada and UK.

In 2024, K-Bro updated our Supplier Code to enhance alignment with our sustainability strategy, including prohibiting forced labour, child labour and any other forms of modern slavery within supply chains. We informed our linen suppliers and had them sign affirmations confirming their understanding of the Supplier Code and agreement to monitor compliance of their operations. Inclusive of the Stellar Mayan acquisition, linen suppliers representing over 97% of K-Bro's 2025 annual linen spend signed affirmations.

K-Bro reviewed OECD guidance on responsible business conduct and is adopting a risk-based approach to supply chain modern slavery due diligence. Supplier assessments involve prioritization and the measures taken to conduct due diligence are commensurate with risk. Due diligence inquiries are more extensive in circumstances where the likelihood and severity of adverse impacts are high. In circumstances that warrant more extensive due diligence, we employ a variety of steps to ensure new suppliers meet our criteria.

Section 11 (3) (c) the parts of our business and supply chains that carry a risk of forced labour or child labour being used and the steps we have taken to assess and manage that risk.

K-Bro has a large number of suppliers, and we are adopting a risk-based approach to supply chains modern slavery due diligence. We mapped our activities and significant supply chains to

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assist in evaluating categories that are 'at-risk' of modern slavery. The assessment covered the journey of goods across raw materials, inputs, components, manufacturing and distribution. We did not identify direct activities within our business 'at-risk' of modern slavery. In assessing our supply chains, we grouped suppliers into categories to identify general areas where the risk of adverse impacts were most significant. To identify global imported products 'at-risk' of modern slavery, we reviewed various sources including Walk Free Global Slavery Index <https://www.walkfree.org/global-slavery-index>. We assessed our significant supply chains categories and identified garments, textiles and electronics as 'at-risk' categories.

Based on K-Bro's current state assessment, the Linen category (which includes both garments and textiles) was identified as the highest risk of potential supply chains forced or child labour. K-Bro has a long history working with its significant linen suppliers and works closely with suppliers to confirm ongoing alignment with our criteria. In the normal course, inquiries, periodic on-site visits and other confirmatory audits are conducted. K-Bro has also included corporate social responsibility compliance clauses in contracts with certain significant linen suppliers. K-Bro's top five suppliers account for a majority of our linen purchases and these suppliers have taken various steps to address potential supply chain modern slavery risks. At various stages of their supply chains, products may have been sourced from Bangladesh, China or India, countries which have been identified as 'at-risk' geographies. The suppliers have taken steps to address potential forced and child labour risks, including: adhering to regulatory & compliance policies; modern slavery training; whistleblower resources; and, procedures to identify and resolve potential issues.

In 2024, K-Bro updated our Supplier Code to enhance alignment with our sustainability strategy, including prohibiting forced labour, child labour and any other forms of modern slavery within supply chains. We informed our linen suppliers and had them sign affirmations confirming their understanding of the Supplier Code and agreement to monitor compliance of their operations. Inclusive of the Stellar Mayan acquisition, linen suppliers representing over 97% of K-Bro's 2025 annual linen spend signed affirmations.

Based on K-Bro's current state assessment, the electronics category was identified as mid risk. Electronic purchases are not core to K-Bro's operations. K-Bro's top suppliers include software, consulting, hardware and managed services. K-Bro purchases minimal hardware which reduces exposure to direct situations 'at-risk' of potential supply chain modern slavery risks. It is possible that some products used or resold originate from either China or Malaysia, countries which have been identified as 'at-risk' geographies. The suppliers have taken steps to address potential forced and child labour risks, including: adhering to regulatory & compliance policies; modern slavery training; whistleblower resources; and, procedures to identify and resolve potential issues.

Section 11 (3) (d) any measures taken to remediate any forced labour or child labour.

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In 2025, we did not identify any incidents of forced labour or child labour in our supply chains. We therefore did not take any remediation measures. Should we identify any instances of forced labour or child labour, we will consider appropriate remediation strategies.

Section 11 (3) (e) any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in our activities and supply chains.

In 2025, we did not identify any incidents of forced labour or child labour in our supply chains. We therefore did not take any remediation measures. Should we identify any instances of forced labour or child labour, we will consider appropriate remediation strategies.

Section 11 (3) (f) the training provided to employees on forced labour and child labour.

As part of K-Bro's sustainability program, we provide awareness information and training to the ESG working group on various topics, including modern slavery compliance. Our ESG working group includes enterprise-wide local market representation across Canada and UK. Information is further cascaded to relevant employees based on roles and geographies.

The Board, ESG working group and procurement team were briefed on the Fighting Against Forced Labour and Child Labour in Supply Chains Act, modern slavery topics and risks of forced or child labour within supply chains. In addition, preliminary modern slavery awareness, speak-up culture and whistleblower training was provided to the ESG working group. K-Bro's Board oversees our sustainability program and has been briefed on our current state assessment to evaluate supply chains modern slavery risks.

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Section 11 (3) (g) how we assess our effectiveness in ensuring that forced labour and child labour are not being used in our business and supply chains.

K-Bro conducted a current state assessment to, among other things, identify supply chain categories 'at risk' of forced labour, child labour or any other forms of modern slavery. The Linen category (which includes both garments and textiles) was identified as the highest risk of potential supply chains forced or child labour. K-Bro updated our Supplier Code to enhance alignment with our sustainability strategy, including prohibiting forced labour, child labour and any other forms of modern slavery within supply chains. We informed our linen suppliers and had them sign affirmations confirming their understanding of the Supplier Code and agreement to monitor compliance of their operations. Inclusive of the Stellar Mayan acquisition, linen suppliers representing over 97% of K-Bro's 2025 annual linen spend signed affirmations. In 2025, we did not identify any incidents of forced labour or child labour in our supply chains.

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Attestation

"The Report was approved pursuant to subparagraph 11 (4) (b) (ii) of the Act by the Board of Directors of K-Bro Linen Inc.

In my capacity as a Director of K-Bro Linen Inc, and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above."

Michael Percy
Chair of the Board
May 19, 2026

Signed "Michael Percy"

"I have the authority to bind K-Bro Linen Inc."